

# A G E N D A

## UTAH BOARD OF WATER RESOURCES

Crystal Inn  
1450 South Hilton Drive  
St. George, Utah  
Cherokee Room

March 20, 2003

9:00 a.m.

I. CALL TO ORDER

II. APPROVAL OF MINUTES - January 31, 2003

III. CHAIR'S REPORT

IV. WATER SUPPLY REPORT - NRCS

V. FEASIBILITY REPORTS

E099 City of Cedar Hills

County

Utah

VI. COMMITTAL OF FUNDS

E060 Hooper Irr. Co.

E074 Marion Waterworks Co.

E080 Tooele County

E089 Wolf Creek Water Conservancy Inc.

L541 Town of Brian Head

L544 Centerville City

L545 Elsinore Town

Weber

Sanpete

Tooele

Weber

Iron

Davis

Sevier

VII. SPECIAL ITEMS

D898 Richfield City (Withdrawal)

D954 K Ranch LLC (Withdrawal)

Sevier

Uintah

VIII. DIRECTOR'S REPORT

IX. OTHER ITEMS

X. NEXT BOARD MEETING - April 25, 2003 - Salt Lake

XI. ADJOURNMENT

**BRIEFING MEETING AGENDA**

**UTAH BOARD OF WATER RESOURCES**

Crystal Inn  
1450 South Hilton Drive  
St. George, Utah  
Garden Room

March 20, 2003

**7:00 a.m.**

- |      |                                |                   |
|------|--------------------------------|-------------------|
| I.   | WELCOME/CHAIR'S REPORT         | Chairman Peterson |
| II.  | DISCUSSION OF STAFF ACTIVITIES |                   |
| III. | DISCUSSION OF PROJECTS         | Board/Staff       |
| IV.  | OTHER ITEMS                    |                   |

# BOARD OF WATER RESOURCES

## Revolving Construction Fund

### Funding Status

March 20, 2003

Funds Available for Projects This FY	\$ 6,447,000
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#### Projects Contracted This FY

1 Redmond Lake Irr Co	E072	\$ 61,000
2 Brady Ditch Irr Co	E073	60,000
3 East Bench Irr Co	E079	445,000
4 Fremont Waterworks Co	E057	150,000
5 Deseret Irr Co (Ph II)	E101	88,000
6 East Bench Canal Co	E032	164,000
7 Piute Res & Irr Co (Piute Dam)	C022 Grant **	2,752,500
8 Piute Res & Irr Co (Piute Dam)	C022 Loan **	197,500
9 Consolidated Sevier Bridge Res Co	C023 Grant **	650,000
Contracts for Dam Safety Studies	**	79,000

Total Funds Contracted	\$ 4,647,000
Funds Balance	\$ 1,800,000

#### Projects with Funds Committed

1 Parowan West Fields Irr Co	E044	\$ 15,200
2 Callao Irr Co (Amend)	E008	32,000
3 Fountain Green Irr Co	E042	230,000
* 4 Marion Waterworks Co	E053	320,000
5 Kays Creek Irr Co (Adams Dam) Amd	C001 Grant **	4,000
6 San Juan WCD (Recapture Dam)	C026 Grant **	2,020,000
Commitments for Dam Safety Studies	**	161,000

Total Funds Committed	\$ 2,782,000
Funds Balance	\$ (982,000)

#### Projects Authorized

1 Beaver Bench Irr Co	D918	\$ 280,000
2 Croydon Pipeline Co	D962	35,000
3 North Canyon Irr Co	D955	315,000
4 Deseret Irr Co	E056	432,000
5 Porcupine Highline Canal Co	E062	85,000
6 Bear River Canal Co	E097	489,000
7 Consolidated Sevier Bridge Res Co	C023 Grant **	4,100,000

Total Funds Authorized	\$ 5,736,000
Remaining Funds Available	\$ (6,718,000)

\* To be presented at Board Meeting

\*\* Dam Safety Projects

**BOARD OF WATER RESOURCES**

**Cities Water Loan Fund**

**Funding Status**

**March 20, 2003**

Funds Available for Projects This FY	\$	2,297,000
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**Projects Contracted This FY**

1 Alpine Cove Water SSD	D930	\$	460,616
2 Metropolitan Water Dist of Pleasant Grove City	E081		12,000
3 Roy Water Conservancy Subdistrict	E085		19,000
4 Centerville City	E086		16,000
5 Hanna Water & Sewer District	D983		<u>1,371,000</u>

Total Bonds Closed	\$	1,879,000
Funds Balance	\$	<u>418,000</u>

**Projects with Funds Committed**

1		\$	-
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Total Funds Committed	\$	-
Funds Balance	\$	<u>418,000</u>

**Projects Authorized**

1 Trenton Town	L534	\$	<u>1,304,000</u>
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Total Funds Authorized	\$	1,304,000
Remaining Funds Available	\$	<u>(886,000)</u>

\* To be presented at Board Meeting

**BOARD OF WATER RESOURCES**

**Conservation & Development Fund**

**Funding Status**

**March 20, 2003**

**Funds Available for Projects This FY** **\$ 10,179,000**

**Projects Contracted/Bonds Closed This FY**

1 Price City	L540	\$ 2,885,000
2 Washington County WCD	E092	75,000
3 Weber Basin WCD	E093	150,000
4 Jordan Valley WCD	E094	150,000
5 Gunnison City	E088	477,000
6 Midway Irr Co	E064	<u>350,000</u>

Total Funds Contracted/Closed	\$ 4,087,000
Funds Balance	<u>\$ 6,092,000</u>

**Projects with Funds Committed**

1 Midway Irr Co	E064	\$ 2,064,000
2 Magna Water Co an Improvement District	E068	815,000
3 Taylor-West Weber WID	E095	825,000
* 4 Town of Brian Head	L541	1,700,000
* 5 Centerville City	L544	1,142,000
* 6 Elsinore Town	L545	514,000
* 7 Tooele County	E080	700,000
* 8 Wolf Creek Water Conservancy Inc.	E089	611,000
* 9 Hooper Irr Co (Press Irr, Ph 1)	E060	<u>2,677,000</u>

Total Funds Committed	\$ 11,048,000
Funds Balance	<u>\$ (4,956,000)</u>

**Projects Authorized**

1 Uintah WCD (Red Wash)	D730	\$ 1,940,000
2 Strawberry High Line Canal Co	D976	3,187,000
3 Kanab Irr Co	D968	62,000
4 Center Creek Culinary Water Co	E020	450,000
5 Uintah WCD (Island Ditch)	E036	720,000
6 Mountain Regional Water SSD	E040	1,675,000
7 New Santa Clara Field Canal Co	E069	930,000
8 Johnson Water District	E070	659,000
9 Ephraim Irr Co	E061	1,155,000
10 Richland Nonprofit Water Co	E087	592,000
* 11 City of Cedar Hills	E099	<u>1,350,000</u>

Total Funds Authorized	\$ 12,720,000
Remaining Funds Available	<u>\$ (17,676,000)</u>

\* To be presented at Board Meeting

# BOARD OF WATER RESOURCES

March 20, 2003

ADDITIONAL ACTIVE PROJECTS			Fund	Est. Board Cost	Total Cost
<b>Authorized or Committed Projects</b>					
1	Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D	\$ 10,925,000	\$ 12,853,000
2	Carbonville Ditch Co	D887	RCF	462,000	597,000
3	Central Utah WCD (Prepay FY98,99,00)	D960	C&D	3,000,000	3,000,000
4	Washington County WCD (Ivins)	D925	C&D	1,390,000	5,100,000
5	Weber Basin WCD (Secondary Irr, Ph 2-5)	E029	C&D	28,369,000	33,375,000
6	Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D	18,230,000	21,447,000
7	Hooper Irr Co (Press Irr, Ph 2-4)	E060	C&D	13,898,000	16,350,000
Subtotal				\$ 76,274,000	\$ 92,722,000
<b>Projects Under Investigation</b>					
	1 Downs Ditch Water Co	D899	RCF	\$ 7,500	\$ 10,000
	2 Keith Johnson	D996	RCF	37,500	50,000
	3 Marion Park Estates	E065	RCF	173,250	231,000
	4 Mayfield Irr Co	E067	RCF	187,500	250,000
	5 Rock Dam Irr Co	E083	RCF	37,500	50,000
*	6 Lake Creek Irr Co	E102	RCF	300,000	400,000
*	7 Dansie Water Co	E103	RCF	393,750	525,000
*	8 Lake Shore Irr Co	E106	RCF	112,500	150,000
	9 Tropic & East Fork Irr Co	E104	RCF	1,275,000	1,700,000
	10 West Panguitch Irr & Res Co	E105	RCF	825,000	1,100,000
	11 Summit County Service Area #3	E045	CWL	414,750	553,000
	12 Woodruff Irrigating Co	D680	C&D	600,000	800,000
	13 Kane County WCD	D828	C&D	1,500,000	2,000,000
	14 Uintah WCD (Leota Bench)	D944	C&D	750,000	1,000,000
	15 East Carbon City (Dam)	D969	C&D	7,500,000	10,000,000
	16 Gunnison Butte Mutual Irr Co	E004	C&D	1,254,000	1,475,000
	17 Town of Altamont	E012	C&D	142,500	190,000
	18 City of South Jordan	E034	C&D	2,253,000	3,004,000
	19 Hyrum Blacksmith Fork Irr Co	E047	C&D	2,025,000	2,700,000
	20 East Juab County WCD	E071	C&D	375,000	500,000
	21 New Escalante Irr Co	E077	C&D	5,625,000	7,500,000
	22 Ferron Canal & Res Co	E082	C&D	-	-
	23 Whiterocks Irr Co	E084	C&D	1,500,000	2,000,000
	24 Parowan City	E090	C&D	204,000	272,000
	25 Logan, Hyde Park, Smithfield Canal Co	E096	C&D	1,301,250	1,735,000
	26 Newton Water Users Association	E100	C&D	1,001,250	1,335,000
	27 West Point City	L456	C&D	1,248,000	1,664,000
Subtotal				\$ 31,043,250	\$ 41,194,000
TOTAL				\$ 107,317,250	\$ 133,916,000

\* New Applications

## BOARD OF WATER RESOURCES

March 20, 2003

### Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Mapleton City	D886
6 Upper Sevier River WCD	E098

BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: **E-099**  
Received: 11/13/02  
Approved: 12/20/02

To be Presented at the March 20, 2003 Board Meeting

SPONSOR: **CITY OF CEDAR HILLS**

Mayor: Brad Sears

LOCATION: The proposed project is located in the City of Cedar Hills, about three miles north of Pleasant Grove in Utah County.

EXISTING CONDITIONS & PROBLEMS: Cedar Hills was established as a community and incorporated in 1977 to serve the needs of a growing area populace. Prior to that time, culinary water systems in the area were installed by developers and managed by the Manila Culinary Water Company in Pleasant Grove; Cedar Hills took over operation of those water systems after its incorporation. Around 1996 the city developed a stand-alone culinary system by adding a million gallon storage tank and booster pumping station, and purchasing and tying in a well. The city currently supplies culinary water, used indoors and out, to about 1,280 mostly residential connections.

In 1998 Cedar Hills began requiring developers to install pressurized irrigation pipelines in developments within the city limits. Existing pressurized secondary irrigation system facilities, which the city intends to begin using fully this spring to serve about 59% (760 connections) of its area, include an irrigation well, three regulation ponds, a two million gallon storage tank, and about 25 miles of transmission and distribution pipeline. In addition, the system can be fed from the city's culinary well, and has a connection to Pleasant Grove Irrigation Company's pressurized irrigation system.



Since 1990 the population of Cedar Hills has more than quadrupled, to 3,800 at present. To continue providing adequate water for indoor and outdoor uses plus fire flows, the city must now either spend over \$4 million upgrading the culinary system, or add the remaining portion (41%) of the city to the secondary system.

PROPOSED  
PROJECT:

Cedar Hills is requesting financial assistance from the board to construct the remainder of its pressurized secondary irrigation system. The project will serve an additional 520 connections in the oldest section of town and consist of about 7 1/2 miles of transmission and distribution pipeline, five pressure regulating stations, 520 service connections, a telemetry system, and reequipping of the city's irrigation well. The city has not yet retained an engineer to prepare plans and specifications and perform construction engineering.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE:

The following cost estimate was prepared by the city and reviewed and revised by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	PVC Pipe			
	a. 16-inch	3,300 LF	\$32.00	\$ 105,600
	b. 12-inch	3,700 LF	26.00	96,200
	c. 10-inch	400 LF	23.00	9,200
	d. 8-inch	32,000 LF	18.75	600,000
2.	Pavement Restoration	80,000 SF	1.25	100,000
3.	Pressure Regulating Station	5 EA	20,000	100,000
4.	Service Connection	520 EA	500	260,000
5.	Telemetry System	LS	114,000	114,000
6.	Reequip Well	LS	25,000	25,000
7.	Well House	LS	50,000	50,000
	Construction Cost			\$1,460,000
	Contingencies			146,000
	Legal and Administrative			33,000
	Design and Construction Engineering			161,000
	TOTAL			\$1,800,000

COST SHARING  
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$1,350,000	75%
Sponsor	<u>450,000</u>	<u>25</u>
TOTAL	\$1,800,000	100%

If the board authorizes the project, it is suggested the bonded indebtedness of \$1,350,000 be repaid in 10 years at 5% interest with annual payments of approximately \$180,000 (includes reserves).

ECONOMIC  
FEASIBILITY:

The proposed project is economically feasible if its cost is less than that of the best alternative, which is to expand the culinary system to meet all municipal water needs, mostly with water purchased from Central Utah Water Conservancy District (CUWCD). The economic analysis assumes CUWCD is the best alternative source of new water.

Water from Pleasant Grove Irrigation Company, the preferred but limited source for the secondary system, is available at a small cost for share assessments. The secondary system will also receive Central Utah Project (CUP) water at a cost of \$130 per acre-foot, and water from the city's irrigation well at approximately \$35 per acre-foot. The benefit/cost ratio is 1.85 when all costs for both the project and best alternative are discounted at 3.9% over the 50-year useful life.

FINANCIAL  
FEASIBILITY:

Based on the board's water service affordability guidelines, Cedar Hills residents could pay up to \$73.63 monthly for all water; they presently pay an average of about \$17.40. The cost of water with the proposed project, based on 1,280 connections, is as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Culinary Water (with new rate structure)	\$115,200	\$ 7.50
Secondary Water	392,300	25.54
Proposed BWRe Loan	180,000	11.72
Market Loan (for city's cost sharing)	<u>60,900</u>	<u>3.96</u>
TOTAL	\$748,400	\$48.72

Current monthly culinary water rates are \$9.75 for the first 13,000 gallons, and \$0.75 per thousand gallons above that; the assessed impact fee for a culinary connection is \$683. The city is considering adopting a new rate structure of \$7.50 for the first 10,000 gallons, \$1.25 per thousand gallons for the next 5,000 gallons, and \$2.00 per thousand above that.

The proposed pressurized irrigation rate structure would vary according to lot size:

<u>Lot Size</u>	<u>Monthly Cost*</u>
1/4 Acre and Smaller	\$22.00
1/4 to 1/3 Acre	\$26.00
1/3 to 1/2 Acre	\$29.00
1/2 Acre and Greater	\$35.00

\* All twelve months

**BENEFITS:** The proposed project will enable the city to meet its culinary and secondary irrigation water needs through buildout, expected to occur by 2020.

**PROJECT SPONSOR:** Cedar Hills' population grew at an average annual rate of about 3% from incorporation in 1977 to 1990. The rate increased to about 15% for the next ten years, then fell back to 6% starting in 2000. Projected population at buildout in 2020 is 7,400 (2,500 connections).

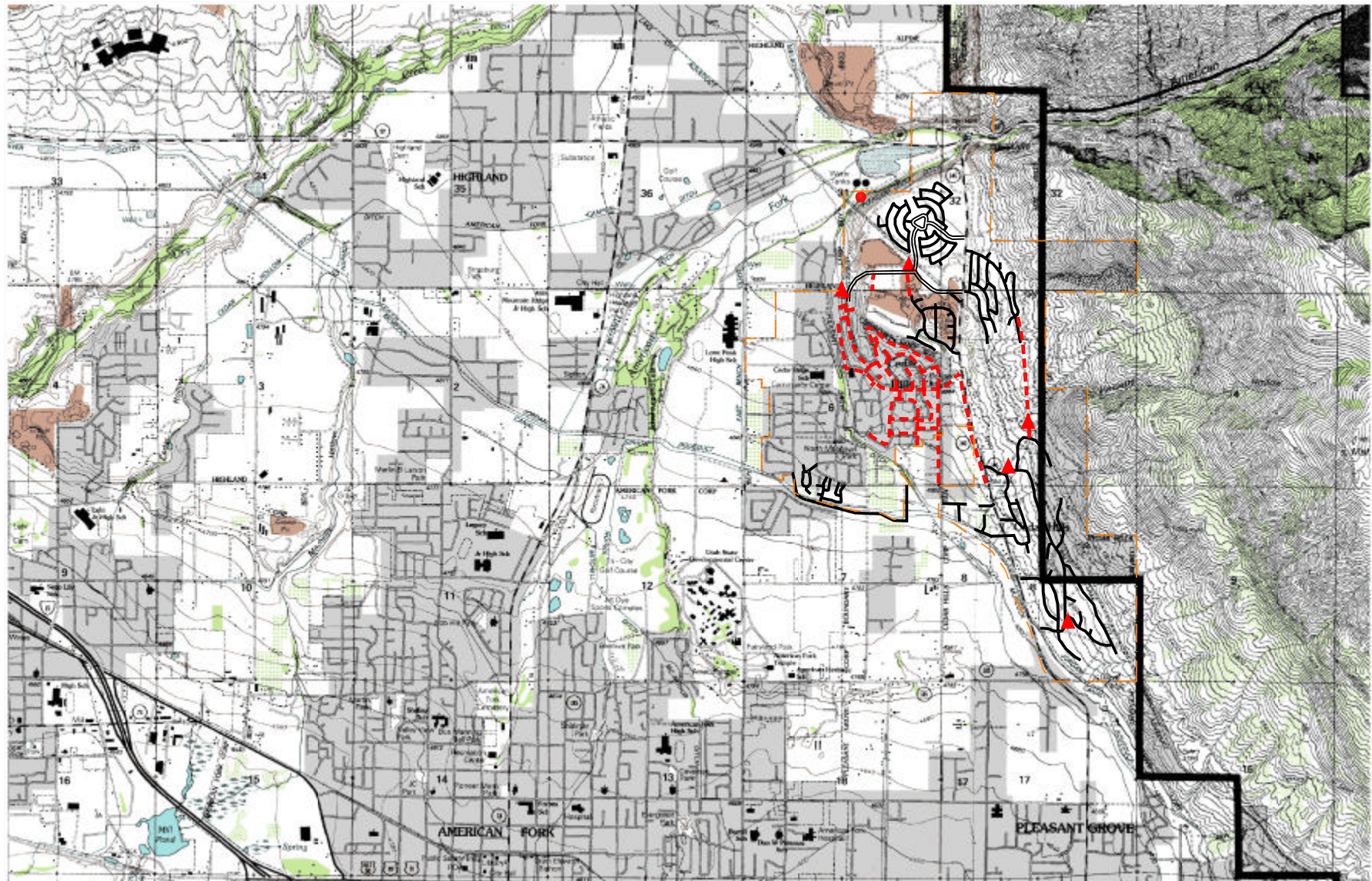
The city has not received financial assistance from the board in the past.

**WATER RIGHTS & SUPPLY:** Subject to water availability, the city plans to use the following sources, in order, in the secondary system:

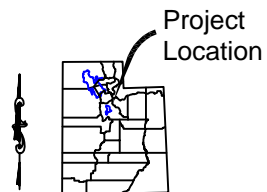
1. Connection to Pleasant Grove Irrigation Company System (420 A-F/300 shares).
2. CUP (up to 710 A-F).
3. Irrigation Well (Right 55-721 for 1,630 gpm; 1,000 gpm current flow).
4. Culinary Well.

EASEMENTS:	Easements will be obtained from private property owners, the Utah Department of Transportation, and Utah County.	
ENVIRONMENTAL:	Proposed pipelines will be installed in existing road rights-of-way. Dust, noise, and congestion will occur during construction.	
WATER CONSERVATION:	<p>As conditions of project funding, the city will be required to submit a Water Management and Conservation Plan to the division for review and approval, adopt an ordinance prohibiting irrigation of landscapes between the hours of 10:00 a.m. and 6:00 p.m., and adopt a progressive rate structure.</p> <p>The city promotes water conservation through distribution of a monthly newsletter.</p>	
SPONSOR'S RESPONSIBILITIES:	The city will be required to make all arrangements to sell the board a non-voted revenue bond as well as verify it has adequate water rights and rights-of-way to construct the project. If the project is authorized, a list of requirements and procedures necessary to close the loan will be furnished to the city.	
PROJECT CONTACT PEOPLE:	Mayor:	Brad Sears 3925 West Cedar Hills Drive Cedar Hills, UT 84062 Phone: (801) 785-9668
	City Manager:	Konrad Hildebrandt 3925 West Cedar Hills Drive Cedar Hills, UT 84062 Phone: (801) 785-9668
	City Engineer:	David Bunker 3925 West Cedar Hills Drive Cedar Hills, UT 84062 Phone: (801) 785-9668





- ▲ Pressure Regulating Station
- Reequip Well
- Proposed Pipeline
- - - City Boundaries



Scale in Feet (1000)

0 2 4 6 8000

CITY OF CEDAR HILLS  
Pressurized Irrigation Project  
Utah Co.

BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **E-060**  
Received: 9/11/01  
Approved: 11/2/01  
Authorized: 1/25/02

To be Presented at the March 20, 2003 Board Meeting

SPONSOR: **HOOPER IRRIGATION COMPANY**

President: Robert W. Penman  
5375 South 5500 West  
Hooper, UT 84315  
Phone: (801) 985-8429

LOCATION: The first phase of the proposed project is located in and around Hooper City in Weber County.

PROJECT SUMMARY: The board authorized a four-phased pressurized irrigation system to serve agricultural and residential users. Of the 11,700 agricultural acres and 700 acres of residential lawns and gardens presently receiving water, it is anticipated that, when the overall project is completed, about 6,000 acres of farms and 2,400 acres of residences will be under pressurized irrigation; the sponsor's remaining 4,000 acres, in the Taylor and West Weber areas, plan to remain a ditch irrigation system

The sponsor is requesting financial assistance from the board to construct the project's first phase, which will serve approximately 850 homes and 900 agricultural acres and consist primarily of 15 miles of 30 to 4-inch pipeline and appurtenances. While the pipeline will ultimately be tied to a regulating reservoir and pump station, the sponsor has not yet procured the land on which they will be built; the project's first phase as defined herein thus does not include the pond and pump station.

Considerable residential development is planned on the agricultural land and is expected to be completed within 20 years.

COST ESTIMATE  
& SHARING:

The overall project, estimated to cost \$19.5 million, was authorized based on 85% cost sharing from the board and 15% from the irrigation company. The proposed cost estimate and sharing for this first phase are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$2,677,000	85%
Sponsor	<u>473,000</u>	<u>15</u>
TOTAL	\$3,150,000	100%

PURCHASE  
AGREEMENT:

Board financial assistance for each phase is to be returned at between 3% and 5% interest, depending on the proportion of agricultural and municipal benefit and individual project phase beneficiaries' ability to pay. The exact interest rate, repayment period, and annual payments are to be determined at the time funds are committed for each phase.

If the board commits funds to the first phase of the project, it is suggested the \$2,677,000 be returned in 20 years at 5% interest with the following approximate annual payments:

<u>Year</u>	<u>Payment</u>
1	\$172,700
2	177,600
3	182,700
4	187,900
5	193,300
6	198,800
7	204,500
8	210,300
9	216,400
10	222,600
11	228,600
12	235,500
13	242,200
14	249,100
15	256,300
16	263,500
17	271,100
18	278,900
19	286,800
20	171,600±

FINANCIAL  
FEASIBILITY:

Based on the board's current water service affordability guidelines, Hooper residents could pay up to \$53.96 monthly for indoor and outdoor water service. The average residential user is currently paying about \$28.60 monthly for all water. Agricultural users are annually paying a \$20 assessment plus \$22/acre.

Because the sponsor and its engineer expect most of Phase I's 900 agricultural acres will be developed around the time the project is purchased from the board, repayment terms are based on the municipal component of benefits and ability to pay.

The state predicts a 2.86% average annual growth rate for Hooper. Lots have historically been one acre, but newly zoned areas are allowing 1/2 and 1/4 acre lots. Staff modeled a repayment structure at the growth rate with farmlands becoming subdivisions, and homeowners initially paying about \$16.00 monthly, an amount in line with other similar, recently constructed systems in Davis and Weber Counties. Average total water costs should therefore be about \$45 monthly (\$28.60 + \$16.00).



BOARD OF WATER RESOURCES

Committal of Funds

Revolving Construction Fund

Appl. No.: **E-074**  
Received: 3/5/01  
Approved: 4/20/01  
Authorized: 8/10/01

To be Presented at the March 20, 2003 Board Meeting

SPONSOR: **MARION WATERWORKS COMPANY**

President: Marve L. Mitchell  
1782 North SR 32  
Marion, UT 84036  
Phone: (435) 783-4910

LOCATION: The proposed project is located in the community of Marion, about three miles north of Kamas in Summit County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to improve its culinary water system by constructing a 300,000 gallon storage tank, adding chlorination facilities, and upsizing distribution pipelines presently too small to provide adequate service.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$320,000	80%
Sponsor	<u>80,000</u>	<u>20</u>
TOTAL	\$400,000	100%

PURCHASE AGREEMENT: If the board commits funds to the project, it is proposed the purchase agreement remain as authorized: the sponsor will purchase the project with annual payments of \$15,000 at 0% interest over approximately 22 years.

BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **E-080**  
Received: 6/7/02  
Approved: 8/9/02  
Authorized: 11/8/02

To be Presented at the March 20, 2003 Board Meeting

SPONSOR: **TOOELE COUNTY**

Commission Chair: Dennis L. Rockwell  
47 South Main  
Tooele, UT 84074  
Phone: (435) 843-3150

LOCATION: The proposed project is located about halfway between Tooele and Grantsville in Tooele County.

PROJECT SUMMARY: The county is requesting financial assistance from the board to drill and equip a culinary water well near Grantsville, tie it to the Deseret Peak Complex (a recreational facility five miles northwest of Tooele City) with about 5 1/2 miles of 16-inch PVC pipeline, install a power line to the well, install a backup generator, and build a chlorination facility.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 700,000	35%
Market Loan	800,000	40
Sponsor	<u>500,000</u>	<u>25</u>
TOTAL	\$2,000,000	100%

REPAYMENT: If the board commits funds to the project, it is proposed the repayment terms remain as authorized:

the board will participate in an interest rate buydown  
with the county with the market loan to be repaid in  
17 years at 5% interest, and the \$700,000 bonded  
indebtedness to the board to be repaid concurrently in  
17 years at 1% interest. Approximate annual payments  
to the board will be \$7,000 the first year, rising to  
\$93,000 in the final year.

BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **E-089**  
Received: 8/27/02  
Approved: 9/20/02  
Authorized: 12/20/02

To be Presented at the March 20, 2003 Board Meeting

SPONSOR: **WOLF CREEK WATER CONSERVANCY INC.**

Vice-President: Lowell S. Peterson  
3900 N. Wolf Creek Drive  
Eden, UT 84310  
Phone: (801) 745-0396

LOCATION: The proposed project is located a mile north of the community of Eden, about four miles northwest of Huntsville in Weber County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to expand its secondary irrigation system in Wolf Creek. The expansion will include construction of a new storage reservoir, dredging and lining of an existing reservoir, and installation of approximately 17,000 feet of distribution pipeline and 58 service connections.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$611,000	75%
Sponsor	<u>204,000</u>	<u>25</u>
TOTAL	\$815,000	100%

PURCHASE AGREEMENT: If the board commits funds to the project, it is proposed the purchase agreement remain as authorized: the sponsor will purchase the project in 25 years at 3% interest with annual payments ranging from approximately \$28,000 to \$43,000.

BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **L-541**  
Received: 5/14/01  
Approved: 6/8/01  
Authorized: 1/25/02

To be Presented at the March 20, 2003 Board Meeting

SPONSOR: **TOWN OF BRIAN HEAD**

Mayor: H. C. (Dutch) Deutschlander  
P.O. Box 190068  
Brian Head, UT 84719  
Phone: (435) 677-2029

LOCATION: The proposed project is located in Brian Head, about nine miles south of Parowan in Iron County.

PROJECT SUMMARY: The town is requesting financial assistance from the board to upgrade and improve its culinary water system by redeveloping several springs, reequipping a major well, replacing small and leaky pipes, installing new pipelines, renovating existing pressure regulating stations and installing new ones, adding automated chlorination stations, and installing a radio telemetry system.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$1,700,000	85%
Sponsor	<u>300,000</u>	<u>15</u>
TOTAL	\$2,000,000	100%

REPAYMENT: If the board commits funds to the project, it is proposed the repayment terms remain as authorized:

the bonded indebtedness of \$1,700,000 will be repaid  
in 18 years at 5% interest according to the following  
schedule:

<u>Years</u>	<u>Approximate Annual Payment</u>
1 - 16	\$117,000-159,300
17	\$246,000*
18	\$359,100*

\* Two existing loans with the board mature in 2019,  
making increased payments possible.

BOARD OF WATER RESOURCES

Committal of Funds

Conservation & Development Fund

Appl. No.: **L-544**  
Received: 2/25/02  
Approved: 3/14/02  
Authorized: 6/14/02

To be Presented at the March 20, 2003 Board Meeting

SPONSOR: **CENTERVILLE CITY**

Mayor: Michael L. Deamer  
250 North Main  
Centerville, UT 84014  
(801) 295-3477

LOCATION: The proposed project is located in Centerville in Davis County.

PROJECT SUMMARY: The city is requesting financial assistance from the board to make improvements to its culinary water system and sub-drainage system by installing pumping equipment and constructing a building for a well that was drilled last year, installing culinary water transmission and sub-drain lines with connections to approximately 120 residences, constructing a booster pumping station, providing stream channel improvements for Parrish and Deuel Creeks, and installing a box culvert on Parrish Creek.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$1,142,000	26%
UWFA	3,025,000	70
Sponsor	181,000	4
TOTAL	\$4,348,000	100%

REPAYMENT:

If the board commits fund to the project, it is proposed the repayment terms remain as authorized: the Utah Water Finance Agency loan will be repaid in 15 years at 4.83% interest with the first payment of \$295,000 in 2003. The \$1,142,000 bonded indebtedness to the board will be repaid in 16 years at 3% interest beginning in 2005, with annual payments ranging from about \$35,000 to \$233,000.



BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **L-545**  
Received: 4/25/02  
Approved: 6/14/02  
Authorized: 8/9/02

To be Presented at the March 20, 2003 Board Meeting

SPONSOR: ***ELSINORE TOWN***

Mayor: Valerie Hopper  
15 East 200 North  
P.O. Box 408  
Elsinore, UT 84724  
Phone: (435) 527-3306

LOCATION: The proposed project is located in and around  
Elsinore, about seven miles southwest of Richfield in  
Sevier County.

PROJECT SUMMARY: The town is requesting financial assistance from the  
board to improve its culinary water system by  
purchasing an irrigation well and water right,  
reequipping and refurbishing the well to supply  
culinary water, installing about four miles of 8 to  
12-inch distribution pipeline, and adding nine fire  
hydrants.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the  
same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 514,000	35.6%
Comm. Impact Board (Loan)	450,000	31.2
Comm. Impact Board (Grant)	450,000	31.2
Sponsor	<u>30,000</u>	<u>2.0</u>
TOTAL	\$1,444,000	100.0%

REPAYMENT:

If the board commits funds to the project, it is proposed the repayment terms remain as authorized: the bonded indebtedness of \$514,000 will be repaid in 25 years at 2% interest with payments ranging from approximately \$22,400 to \$34,700.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: **D-898**  
Received: 2/16/95  
Approved: 3/9/95

To be Presented at the March 20, 2003 Board Meeting

SPONSOR: ***RICHFIELD CITY***

Mayor: David K. Kimball  
75 East Center  
P.O. Box 250  
Richfield, UT 84701  
Phone: (435) 896-6430

LOCATION: The proposed project is located in Richfield in Sevier County.

SUMMARY: The city requested financial assistance from the board to drill and equip a culinary well, and construct a pressurized secondary irrigation system to serve parks, schools, and a cemetery. Since the city has completed the well on its own and shows no interest in proceeding with the secondary system, staff recommends the application to the board be withdrawn.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Revolving Construction Fund

Appl. No.: **D-954**  
Received: 3/13/97  
Approved: 3/13/97  
Tabled: 6/20/97

To be Presented at the March 20, 2003 Board Meeting

SPONSOR: **K RANCH LLC**

Owner: Richard Roach  
1334 Stuart Street  
Chattanooga, TN 37406

LOCATION: The proposed project is located about 30 miles southeast of Vernal near the Utah-Colorado border in Uintah County.

SUMMARY: The sponsor requested financial assistance from the board to expand its hay production operation, by 250 acres, by drilling and equipping several shallow irrigation wells and installing pipeline to supply water from them to two center pivot sprinklers.

The project feasibility report was presented to the board nearly six years ago; the board tabled the project due to a number of concerns it had including out-of-state benefits and water rights. Since the sponsor now shows no interest in obtaining board funding, staff recommends the application be withdrawn.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-102***

Received: 1/24/03

SPONSOR: ***LAKE CREEK IRRIGATION COMPANY***

President: George P. Holmes  
P.O. Box 217  
Heber City, UT 84032-0217  
Phone: (435) 654-2204

LOCATION: The proposed project is located three to six miles east and southeast of Heber City in Wasatch County.

PROPOSED PROJECT: The sponsor is requesting assistance to install secondary irrigation water meters in currently platted subdivisions. For areas served water by the sponsor that are not yet platted, developers will be required to install meters.

WATER RIGHTS: In the name of the board.

COST ESTIMATE: \$400,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-103***

Received: 1/29/03

SPONSOR: ***DANSIE WATER COMPANY***

Director: J. Rodney Dansie  
7198 West 13090 South  
Herriman, UT 84065  
Phone: (801) 254-4364

LOCATION: The proposed project is located about two miles west of Herriman in southwestern Salt Lake Valley.

PROPOSED PROJECT: The sponsor is requesting assistance to improve its culinary water system by constructing a million gallon storage tank and connecting it to the existing system with a new 10-inch pipeline.

WATER RIGHTS: Well right 59-1249 for 3.793 cfs (limited to 1,555 acre-feet annually).

COST ESTIMATE: \$525,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-106***

Received: 2/21/03

SPONSOR: ***LAKE SHORE IRRIGATION COMPANY***

President: Jay Evans  
6096 South 4000 West  
Spanish Fork, UT 84660  
Phone: (801) 798-7314

LOCATION: The proposed project is located in the Lake Shore area, about six miles west of Spanish Fork in Utah County.

PROPOSED PROJECT: The sponsor is requesting assistance to rehabilitate some of its deteriorated concrete-lined irrigation ditches by either relining or piping them.

WATER RIGHTS: The sponsor has numerous well rights, and decreed rights on the Spanish Fork River.

COST ESTIMATE: \$150,000

*Unapproved*  
MINUTES

BOARD OF WATER RESOURCES  
BRIEFING MEETING

January 31, 2003

Room 314, Department of Natural Resources  
Salt Lake City, Utah



## BOARD OF WATER RESOURCES

Briefing Meeting  
January 31, 2003

The Board of Water Resources held a briefing meeting on January 31, 2003, at 9:00 a.m. in Room 314 at the Department of Natural Resources Building in Salt Lake City, Utah.

The following people were in attendance:

### BOARD MEMBERS

Paul Riley  
Lucille Taylor  
Cleal Bradford  
Ivan Flint  
Brad Hancock  
Harold Shirley  
Warren Peterson  
Bill Marcovecchio

### STAFF MEMBERS

Larry Anderson  
Dennis Strong  
Eric Millis  
Nancy Fullmer  
Steve Wilde  
Todd Adams  
Gina Hirst

### VISITORS

Sherm Hoskins

Chair Warren Peterson called the briefing meeting to order and welcomed everyone to the meeting. Director Larry Anderson invited the Board members to attend the budget hearing that is scheduled for February 7 at the State Capitol Building.

### DISCUSSION OF STAFF ACTIVITIES

Eric Millis handed out a booklet showing the members of the legislative committees dealing with Natural Resources. He encouraged the Board members to contact the legislators from their areas who serve on the committees. He also reviewed a memorandum he handed out with an update of proposed legislation regarding water issues. He said it had been eerily quiet at the legislature as far as water funding legislation.

Chair Peterson reviewed the proposed agenda for the Tri-Board Meeting being held on February 5 at the Department of Natural Resources Building. He said the chairmen of the three state water-funding boards would attend, as well as the Commissioner of Agriculture. Cleal Bradford will represent the Community Impact Board, and Vice Chair Paul Riley will also attend. Mr. Peterson encouraged Director Anderson to attend the meeting.

Chair Peterson suggested the Board members should hold a special meeting in St. George to evaluate where the Board stands after the legislative session and determine if they need to set priorities or change their policies. He also would like the Board members to review his statement in response to the Governor's proposal regarding water funding and come up with one page of bullet points. The board members said they would also like to review the powers and purpose of the Board as listed in the training books they received from the Governor's office and the comprehensive handbook prepared by staff. After considerable discussion, the Board members agreed to hold a special meeting on Wednesday, March 19, at 3:00 p.m. at the Crystal Inn. Chair Peterson encouraged the Board members to let Nancy know of any additional items they would like added to the agenda. Director Anderson said Dennis Strong would be in charge of the Board meetings since he would be attending the Western States Water Council meetings. Director Anderson also said the Washington County Water Conservancy District had invited the Board members and their spouses to dinner on Tuesday night; and the Water Users banquet will be held on Wednesday evening.

There was a discussion about water conservation. Director Anderson said five entities contributed funds to the Governor's water conservation media campaign last year and have agreed to provide funding this year for the campaign. The group feels good about the accomplishments of last year's program.

Eric Millis said staff held three public meetings in the Bear River Basin to receive comments on the Utah State Water Plan, "Bear River Basin Planning for the Future Public Review Draft". Staff will accept written comments regarding the report until February 23. Paul Riley said he thought the meetings were well conducted and staff did a good job explaining the report and responding to questions. He said he was pleased with the attendance.

Dennis Strong gave the Board members a copy of information he and Lyle Summers prepared explaining some past actions of the Board. He encouraged the Board members to review the document so they would have a better understanding of some previous projects that were funded by the Board.

Chair Peterson handed out a revised copy of the proposed Board policy regarding bond insurance. He said the Board would take action on the proposed policy during the Board meeting.

Cleal Bradford discussed the funding process used by the Community Impact Board. He said he has been the representative from the Board of Water Resources for the past five years.

## DISCUSSION OF PROJECTS

### Feasibility Reports

Steve Wilde asked Gina Hirst to give a summary of the Richland Nonprofit Water Company's proposed project. Ms. Hirst said the company wanted to consolidate water systems and individual wells along the south shore of Bear Lake area into one large public water system. The sponsor is requesting grants from USDA and CDBG and feels they have a better chance to receive grants if they can consolidate. She said the company requests 3% interest repayment terms rather than 5% as recommended by staff. Staff also suggested the sponsor pre-sell connections and get signed agreements with the water systems before funds are committed. The Board members asked why the sponsor did not form a special service district. Staff said they should ask the sponsor. There was considerable discussion about the economic feasibility, discount rate and benefits to the developers.

Steve Wilde said the Bear River Canal Company wants to replace a 100 year-old steel flume structure with an inverted siphon that will be installed under the Malad River. He said the Board assisted the sponsor in replacing a washed out flume with an inverted siphon pipeline in 1984 as well as several additional small flumes since that time. There was a discussion about the damage that could be caused if the present structure failed. The Board members also discussed the ability of water companies to earmark money for capital improvements and replacement projects. Some of the Board members asked about the repayment terms and zero percent interest.

### Committal of Funds

Steve Wilde said the division's design section is doing the engineering work on the Fountain Green Irrigation Company's proposed project. The sponsor is requesting an additional \$18,000 from the Board. The current project cost estimate exceeds the amount authorized due to additional pipe needed to provide adequate water supply and pressure in one section of the system. Staff suggested the sponsor repay the \$230,000 in 25 years at 0% interest.

Gina Hirst said the Gunnison City project was ready for committal of funds. The proposed cost estimate and sharing remain the same as the Board authorized in November.

Bill Marcovecchio said the engineer and manager of the Magna Water Company An Improvement District contacted him and said they needed an additional \$115,000 for the project. The drain system was not as good as they thought. Changes in the design and property costs have increased the overall cost of the project. There was a discussion about the district signing a contract rather than issuing a bond.

Ivan Flint said the Taylor-West Weber Water Improvement District was requesting committal of funds for its culinary water improvement project that was authorized in December. The proposed cost estimate is the same as authorized.

Dennis Strong reminded the Board members their motions should include “subject to the availability of funds” since the Board’s funds may not be available if the repayments are taken. All of the project sponsors should be encouraged to expedite their projects so they can be ready for construction when the funds are available. Mr. Strong reviewed the Status of Funds Report.

#### OTHER ITEMS

Lucille Taylor read changes to the previous Board meeting minutes she would like made before they are approved. Warren Peterson also read his proposed corrections to the minutes.

Director Anderson reminded the Board members they could not make motions on projects during the Briefing meeting since the sponsors are not present during the discussions, and the agenda does not indicate a motion will be considered.

The arrangements for the Water Users Workshop meetings in St. George were discussed. The Board members were asked to let Nancy know their plans.

Director Anderson reviewed what was happening in California since the Colorado River water users in California failed to comply with the Interim Surplus Guidelines by December 31, 2002.

The briefing meeting adjourned about noon.

*Unapproved*  
MINUTES OF THE  
BOARD OF WATER RESOURCES MEETING  
January 31, 2003

Auditorium  
Department of Natural Resources Building  
1594 West North Temple  
Salt Lake City, Utah

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## SUMMARY OF BOARD ACTIONS

1. The Minutes of the December 20, 2002 Board meetings were approved with suggested changes. page 1
2. A Bond Insurance Policy was accepted by the Board. page 2
3. The Richland Nonprofit Water Company project was tabled until agreements have been signed between the entities involved. page 3
4. The Board authorized the Bear River Canal Company project in the amount of \$489,000 (80%) to be purchased with approximate annual payments of \$49,000 at 0% interest over ten years, subject to availability of funds. page 3
5. Funds were committed to the Fountain Green Irrigation Company project in the amount of \$230,000 (85%) to be repaid in 25 years at 0% interest with annual payments of approximately \$9,200, subject to availability of funds. page 4
6. The Board committed funds to the Magna Water Company An Improvement District project in the amount of \$815,000 (48%) to be purchased at 1% interest over 25 years with annual payments of approximately \$37,000, subject to availability of funds. page 4
7. Funds were committed to Gunnison City in the amount of \$477,000 (37%) to be repaid in 21 years at 1% interest with payments ranging from approximately \$16,000 to \$64,600, subject to availability of funds. page 5
8. The Board committed funds to the Taylor-West Weber Water Improvement District in the amount of \$825,000 (75%) to be repaid in 20 years at 5% interest with annual payments starting at approximately \$51,800 and increasing to about \$90,800. page 5
9. A letter will be prepared for the Board's signatures thanking Thorpe Waddingham for his many services to the water community over many years. page 5

## THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, January 31, 2003, in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Peterson presided over the 1:00 p.m. meeting.

### BOARD MEMBERS PRESENT:

Warren Peterson  
Paul Riley  
Lucille Taylor  
Ivan Flint  
Brad Hancock  
Cleal Bradford  
Harold Shirley  
Bill Marcovecchio

### STAFF MEMBERS PRESENT:

D. Larry Anderson, Director  
Dennis Strong, Deputy Director  
Eric Millis, Asst. Director  
Nancy Fullmer, Administrative Secretary  
Randy Staker, Accountant  
Ben Everitt, Geologist  
Todd Adams, Chief, Hydrology and Computer Applications  
Steve Wilde, Chief, Investigations  
Gina Hirst, Engineer  
Tom Cox, Engineer  
Geralee Murdock, Executive Secretary

### OTHERS PRESENT:

Sherm Hoskins, Asst. Director, Department of Natural Resources  
Jerry Olds, State Engineer  
Randy Julander, Snow Supervisor, NRCS  
Chris Hogge, Engineer, Weber Basin Water Conservancy District  
Doug Nielsen, Sunrise Engineering



OTHERS PRESENT CONT'D:

Brian Wood, Project Manager, Richland Nonprofit Water Co.  
Robert Wood, President, Richland Nonprofit Water Co.  
Jim Wood, Interim Director, Bureau of Economic Res. U. of U.  
Robert Rose, Board member, Richland Nonprofit Water Co.  
Randy House, Director, Richland Nonprofit Water Co.  
John Mabey, Attorney, White, Mabey, Wright and Richards  
Lance Anderson, Project Engineer, Cache & Landmark Engineering  
David M. Kelly, President, South Bear Lake Water Users Co-op  
Dave Gessel, Owner, South Bear Lake Water Users Co-op  
Mark Gessel, South Bear Lake Water Users Co-op  
Clyde Gessel, Director, South Bear Lake Water Users Co-op

Charles Holmgren, President, Bear River Canal Co.  
David B. Styer, Manager, Bear River Canal Co.  
Ken Gardner, Engineer, Gardner Engineering,

Ed Hansen, General Manager, Magna Water Co.  
Don Olsen, District Engineer, Magna Water Company

Rodney Taylor, Councilman, Gunnison City  
JoAnn Taylor, Treasurer, Gunnison City  
Linda Day, Engineer, Franson-Noble Engineers

Val Surrage, Chairman, Taylor-West Weber Water Co.  
Dick Gibson, Vice-chair, Taylor-West Weber Water Co.

MINUTES OF THE  
BOARD OF WATER RESOURCES MEETING  
January 31, 2003

Chair Peterson welcomed everyone to the meeting.

APPROVAL OF THE MINUTES

Lucille Taylor made the motion seconded by Cleal Bradford to approve the minutes of the December 20, 2002 meetings with suggested changes. The Board agreed.

CHAIR'S REPORT

Chair Peterson said the Governor met with Board representatives on January 17 and explained his budget proposal, however the legislative budget proposal is different than the proposal made by the Governor. The legislature proposes to proceed with the sales tax funding as amended in the December legislative special session.

WATER SUPPLY REPORT

Randy Julander reported the year began at 75% of average snowpack. Currently the north is in the high to mid-50% of average, the southwest corner of the state is at 37% of average and the southeast corner is at 47% of average. During January the high elevation snowpacks didn't get any snow and the low elevations lost.

Reservoir storage is down 700,000 acre-feet from last year. All small reservoirs will probably fill; the larger ones will not. It would take four years to fill Bear Lake with average inflow if no water was released. The streamflow forecast for February will not be released until next week, however based on the snowpack it is estimated each of the basins will decline anywhere from 10-25%.

The entire state with the exception of one small piece is categorized as in extreme drought. Mr. Julander said the long-range forecast for the months of February, March and April shows the temperatures for the entire state well above average.

ADOPTION OF BOND INSURANCE POLICY

Chair Peterson stated a subcommittee of the Board was appointed in September 2002 during the Blanding Board meeting to evaluate the Board's bond insurance policy. Paul Riley was appointed chairman of the subcommittee which also consisted of Lucille Taylor, Brad Hancock and Ivan Flint. The subcommittee met and issued the following statement:

“The Board of Water Resources may provide financial assistance grants to applicants that apply only for bond insurance. Careful use of bond insurance grants can significantly reduce demands on the Board’s financial resources, while at the same time promoting water development policies and encouraging use of private bond markets. When a project sponsor is approved for both a loan and bond insurance assistance on a project, the bond insurance premiums will be provided only as a loan. Only projects that meet the Board’s general funding requirements will be considered for bond insurance.”

Mr. Riley made the motion the Board accept the committee’s recommendation as the Board of Water Resources’ Bond Insurance Policy. Lucille Taylor seconded the motion and it was agreed upon by the Board.

## FEASIBILITY REPORTS

### #E087 Richland Nonprofit Water Co.

Chair Peterson introduced Robert Wood, Randy House, John Mabey, Lance Anderson, and Jim Wood from the company, and David Kelly, Mark Gessel, Clyde Gessel, Dave Gessel, and Robert Rose from the South Bear Lake Water Users Co-op. Gina Hirst reported the proposed project is located on the southeast side of Bear Lake in Rich County. There are four water systems: Laketown, South Bear Lake Water Users Co-op, South Shore Special Service District and Falula Farms, Inc., as well as approximately 100 individual wells. All the systems are at or near capacity, therefore, individual wells are currently the only option for future growth. All of these systems are interested in incorporating into a larger better system if water delivery can be guaranteed and the costs are reasonable. The Richland Nonprofit Water Co. was recently formed to regionalize the water systems and to aid in future development of the area. Rich County and Laketown have resolutions supporting the consolidation and regionalization of these water systems, however, no formal agreements have been made with the sponsor.

The Richland Nonprofit Water Co. is requesting financial assistance from the Board to develop a public water system for the south shore of Bear Lake to serve the existing 200 connections and allow an increase of 400 total residential connections over the next 15-20 years. The project is estimated to cost \$1.767 million. Grant assistance is being requested from the USDA and CDBG; a 34% loan of \$592,000 is being requested from the Board.

Based on the Board’s affordability guidelines the residents of the south shore area could pay up to \$34.69 per month for water. With the proposed project in place the cost per connection per month would be about \$35.91. Staff recommends if the Board authorizes the project the sponsor be required to get signed agreements from Laketown, South Bear Lake Water Users Co-op, South Shore Special Service District, Falula Farms Inc. and 50% of the individual well owners; and that they be required to connect onto the system within five years.

Brian Wood of the company explained the need for a regionalized water system in the area. He also asked the Board to consider a 4% interest loan instead of the recommended 5% loan, as it would give them better ability to budget and plan for reserves.

David Kelly and Dave Gessel of the South Bear Lake Water Users Co-op both stated the water users of the South Bear Lake Water Users Co-op have not signed off on the proposed system and suggested the Board not make a final determination until the water groups have signed agreements. Mr. Wood replied a survey was mailed directly to property owners in the proposed project area to get a general feeling. The majority of the system would have to vote to become a part of the proposed system. Brian Wood said the company would like to build the system along with the South Shore sewer project.

After considerable discussion, Cleal Bradford suggested the project be tabled until it is determined who will participate in the project. Paul Riley agreed and made the motion the Richland Nonprofit Water Company project be tabled until agreements have been signed between the entities involved. Cleal Bradford seconded the motion. The Board agreed.

Chair Peterson said the Board is in favor of encouraging cooperation and regionalization of water systems. This proposal will prevent the kind of problems encountered in other parts of the state. The motion does not imply the Board is displeased with the proposal.

#### #E097 Bear River Canal Co.

Chair Peterson introduced Charles Holmgren, president; Dave Styer, manager; and Ken Gardner of Gardner Engineering. Gina Hirst reported the canal company diverts water from Cutler Dam to serve approximately 65,000 acres through 130 miles of transmission canals from Fielding to Brigham City. On one of the main canals there is a steel flume truss structure that conveys water over the Malad River. The steel beams and columns supporting the flume have weathered and show signs of corrosion, and therefore may not be able to withstand an earthquake load due to the deterioration of the joints.

The canal company is requesting financial assistance to replace the steel flume structure with 550 feet of inverted siphon that will be installed under the Malad River. Technical assistance is being provided by Gardner Engineering in Ogden. The project is estimated to cost \$611,000. The Bear River Canal Company has two existing loans with the Board that will be repaid by 2007 and 2014.

Paul Riley made the motion to authorize the Bear River Canal Company project in the amount of \$489,000 (80%) to be purchased with approximate annual payments of \$49,000 at 0% interest over 10 years, subject to availability of funds. Ivan Flint seconded the motion and it was agreed upon by the Board.

## COMMITTAL OF FUNDS

### #E042 Fountain Green Irrigation Company

Steve Wilde reported the Fountain Green Irrigation Company is requesting technical and financial assistance from the Board to improve its pressurized irrigation system by replacing pressure reducing and other valving in five stations, replacing small PVC pipe with larger pipe, a concrete ditch with polyethylene pipe, and constructing a new pipe inlet structure. Division staff is designing the project.

The current project cost estimate exceeds that authorized (\$212,000) due to additional pipe needed to provide adequate supply and pressure in one section of the system. The company is now requesting the Board provide \$230,000.

Cleal Bradford made the motion to commit funds to the Fountain Green Irrigation Company in the amount of \$230,000 (85%) to be repaid in 25 years at 0% interest with annual payments of approximately \$9,200, subject to availability of funds. Bill Marcovecchio seconded the motion and the Board unanimously agreed.

### #E068 Magna Water Company An Improvement District

Chair Peterson introduced Ed Hansen, general manager, and Don Olsen, district engineer. Tom Cox reported the district is in the process of constructing Phase I of a secondary irrigation system with plans to eventually expand the system to cover the entire district.

Modifications made to the area Phase I will serve, revisions made during design and additional property costs for the pond site have increased the overall cost of the project from \$1.550 million to \$1.690 million. A grant has been received from the Central Utah Water Conservancy District for 42% of the project cost.

The district has installed approximately 1,700 feet of pipeline in conjunction with a county road project, and is in the process of drilling a well. The district intends to put the remainder of the project out to bid this winter and early spring. Mr. Hansen further explained the need for the project and said it should be a win-win for the whole community.

Bill Marcovecchio made the motion to commit funds to the Magna Water Company An Improvement District in the amount of \$815,000 (48%) to be purchased at 1% interest over 25 years with annual payments of approximately \$37,000, subject to availability of funds. Cleal Bradford seconded the motion and it was agreed upon by the Board.

### #E088 Gunnison City

Chair Peterson introduced Rod Taylor and JoAnn Taylor from the city and Linda Day from Franson Noble Engineering. Gina Hirst reported Gunnison City is requesting financial

assistance to make improvements to its pressurized secondary irrigation system by dividing it into two systems. A transmission pipeline will be installed to divert water from the Highland Canal. Along with the pipeline they'll construct a 17 acre-foot regulating pond. This system will serve the north side of Gunnison. The south side will continue to be served by the existing system.

A grant has been received from the Central Utah Water Conservancy District (Section 206) in the amount of \$650,000 (51%). The proposed cost sharing remains the same with the Board of Water Resources funding 37% of the total project cost. Harold Shirley made the motion to commit funds to Gunnison City in the amount of \$477,000 (37%) to be repaid in 21 years at 1% interest with payments ranging from approximately \$16,000 to \$64,600, subject to availability of funds. Paul Riley seconded the motion and it was agreed upon by the Board.

#### #E095 Taylor-West Weber Water Improvement District

Chair Peterson introduced Val Surrage, chairman of the Board, and Dick Gibson, vice-chair. Tom Cox reported the district is requesting financial assistance to improve its culinary water system by constructing a two million gallon water storage tank, booster pumping facility, and replacing 1,050 water meters. The project is estimated to cost \$1.1 million.

Mr. Surrage said the project has been to bid and the contractors are ready to go as soon as funds are available. Mr. Peterson said as soon as the paper work has been submitted funds will be available.

Ivan Flint said he toured the project and it looks like a good project. He made the motion to commit funds to the Taylor-West Weber Water Improvement District project in the amount of \$825,000 (75%) to be repaid in 20 years at 5% interest with annual payments starting at approximately \$51,800 and increasing to about \$90,800. Bill Marcovecchio seconded the motion and the Board agreed unanimously.

#### DIRECTOR'S REPORT

Director Anderson said that Thorpe Waddingham has resigned as a member of the Western States Water Council (WSWC). Mr. Waddingham was an original member appointed in 1965 when the WSWC was organized. The Governor sent a letter to Thorpe thanking him for his many years of service; WSWC has prepared a resolution that will be presented at the council's March meeting.

Lucille Taylor made the motion the Board send a letter thanking Thorpe Waddingham for his many services to the water community over many years. Cleal Bradford seconded the motion and it was agreed upon by the Board.

Mr. Anderson referred the Board to a letter in the Board folder regarding the Yuma Desalting Plant that was constructed by the Bureau of Reclamation as a way of meeting the water quality commitment to Mexico under Minute 242. He also stated the Upper Colorado River Commission held a meeting and reports from the Bureau of Reclamation and Western Area Power Administration were included in the Board folder for the Board members perusal.

Meeting adjourned at 2:45 p.m.

*Approved*  
MINUTES

BOARD OF WATER RESOURCES  
BRIEFING MEETING

December 20, 2002

Room 314, Department of Natural Resources  
Salt Lake City, Utah





## BOARD OF WATER RESOURCES

Briefing Meeting  
December 20, 2002

The Board of Water Resources held a briefing meeting on December 20, 2002 at 8:00 a.m. in Room 314 at the Department of Natural Resources Building in Salt Lake City, Utah.

The following people were in attendance:

### BOARD MEMBERS

Paul Riley  
Lucille Taylor  
Cleal Bradford  
Ivan Flint  
Brad Hancock  
Harold Shirley  
Warren Peterson  
Bill Marcovecchio

### STAFF MEMBERS

Larry Anderson  
Dennis Strong  
Eric Millis  
Nancy Fullmer  
Steve Wilde  
Todd Adams  
Todd Stonely  
Tom Cox

### VISITORS

Sherm Hoskins  
Norman Johnson

Chair Warren Peterson called the meeting to order and wished everyone a Merry Christmas. He told the Board members about his conversation the previous evening with Governor Leavitt, and said the Governor asked him to convey the message that he does not want the recent publicity to be a negative reflection on the boards and he would like to meet with the board members in January to explain his policy as it relates to long-term funding of water projects. The Governor desires to have the sales tax revenues returned to the general fund to be used for education and to find a permanent long-term source of dedicated funding for water projects.

Director Anderson handed out a copy of the Governor's proposal to reduce water tax subsidies, which also included a sheet listing education and water facts. He encouraged the Board members to review the proposal so they could understand what the Governor wants. Mr. Anderson also handed out a copy of the recent legislation that adjusts the sales and use tax act; the bill was passed in the 2002 Sixth Special Session in December. The bill makes modifications to the amount of funding coming from the 1/16% sales tax dedicated for water.

The Board members discussed some of the options reviewed by the Governor's Task Force for funding water projects. Chair Peterson said a subcommittee appointed by the Funding Task Force concluded the best alternative was using the sales tax. He said there is a legislative meeting on Monday that has been called by the co-chairs of the task force. They want to know the Boards' loan criteria and decide if the policies and statutes need to be changed. There is criticism of loaning to communities or groups that can go to the market and fund their own projects. Director Anderson said he feels what the Board of Water Resources has done is in compliance with the state statutes and followed the Board's criteria.

## STAFF ACTIVITIES

### Bear River Basin Report

Eric Millis handed out copies of the revised report of the "Bear River Basin Planning for the Future Public Review Draft". The reports will be distributed for public review at the public meetings being held throughout the Bear River Basin in January. Mr. Millis also handed out a memo listing the schedule of the public meetings.

The Board members were encouraged to read the report, give their comments to staff by February and attend the meetings if they so desired. Paul Riley said he has reviewed the report and would plan to attend the meetings. The Board members gave approval for staff to hold the meetings and distribute the draft report. Mr. Millis said the document will be available on the internet and anyone can request copies. Comments will be received for 30 days, and justified comments will be included in the final document that will be published about May or June.

### Subcommittee Report

Chair Peterson said at the Board meeting held in Blanding, the Board set up a subcommittee to evaluate a policy on purchasing bond insurance. He appointed Paul Riley to be chair of the subcommittee.

Mr. Riley said the subcommittee did not review credit enhancements and interest buydown agreements, but concentrated their effort on providing grants for bond insurance. He said the Board gets more leverage for the funds they have by providing funds to purchase bond insurance. Providing a grant for bond insurance is the motion that the subcommittee unanimously approved (copy attached).

Chair Peterson thanked the Board members who served on the subcommittee – Paul Riley, Lucille Taylor, Brad Hancock and Ivan Flint. In order to implement the subcommittee's recommendation as Board policy, this item will be added to the agenda for the next Board meeting. Dennis Strong asked if it was possible to instruct the staff to follow the Board's direction without making it a policy; the Board members preferred it be a written policy. Paul Riley made the motion, seconded by Lucille Taylor, that the Board adopt the policy recommendation from the subcommittee and it be put on the agenda for adoption at the next Board meeting. The motion passed unanimously.

### DISCUSSION OF PROJECTS

#### Wolf Creek Water Conservancy Inc.

Ivan Flint said he met with Lowell Peterson, Vice President of the company, and looked at the proposed project area. They want to quit using treated water on the lawns and gardens. Some of the Board members expressed concern about the company being a for-profit entity and asked if they could form a non-profit water company. Dennis Strong said it is fine with staff, but the Board has funded for-profit companies in the past.

Steve Wilde said the Board has previously funded three projects located in the same vicinity out of the Revolving Construction Fund. The Board members questioned why the sponsor wasn't being charged interest. Staff said it meets the guidelines for the Revolving Construction Fund and funds are available in that fund. Director Anderson said if it is funded from that fund, it would be 0% interest; but it could be moved to the Conservation and Development Fund. Mr. Wilde suggested the annual repayments remain the same and the years be extended if the Board decides to charge interest because they are exceeding the affordability guidelines. Dennis Strong said staff could have the numbers at the Board meeting if the Board wants to request the sponsor pay 3% interest over 20 or 25 years.

### Taylor-West Weber Water Improvement District

Chair Peterson said he had several issues on this report. He considers the replacing of 1,050 water meters a maintenance item; also the water rates have been extremely low. He said the Board funding would be more secure if the district issued a bond rather than signed a contractual agreement. Director Anderson said over the years the Board has done it both ways; it is cheaper to sign a contract than to issue a bond.

Tom Cox said the district officials had started replacing meters on their own and they were planning to do it over the next few years. It was staff that suggested the district include the purchase and installation of meters as part of the project because meters are necessary to implement water conservation based water rates.

### Committal of Funds

Lucille Taylor said East Bench Canal Company had problems that were partly their creation since they started to dig before they had the funding. She said she had expressed her concern to them for their failure to respond to the Board's staff in a timely manner before starting construction without secure funding, but they need to finish the project. They will come in with a request for a loan of about \$100,000 less than the amount authorized by the Board since the sponsor procured additional funds. Steve Wilde said the annual payment of \$14,000 should remain fixed and the years would float.

The Board previously authorized phases one and two for the Midway Irrigation Company's pressurized irrigation project. Lucille Taylor said the Board funded phase one, and now the sponsor wants funds committed for phase two.

### Dam Safety

#### Consolidated Sevier Bridge Reservoir Company

Chair Peterson said Clyde Bunker will ask for 95% funding from the Board for the dam safety project for Consolidated Sevier Bridge Reservoir Company. Lucille Taylor said Juab County is in her area and Mr. Bunker did not contact her about the project. Mr. Peterson said it is a major dam on the Sevier River, but the dam is in Juab County so it is in Ms. Taylor's district. Chair Peterson said he will declare a conflict of interest.

Mr. Peterson said a 95% grant is consistent with what the Board funded on Piute and Otter Creek reservoir dam safety projects that are located on the Sevier River. Ms. Taylor said staff recommended 90% so she plans to make a motion for staff's recommendation.

Director Anderson said this is coming out of next year's money and there may or may not be any money. Warren Peterson said the snowpack in the Sevier River basin was the lowest in history so the reservoir can be drained next year without having to dump a lot of water into the desert. Lucille Taylor asked if the Board would have any money to loan the company until the

Board receives dam safety money that could be used to replace the loan. Director Anderson said he did not think the company was ready to start construction since staff has not seen plans and specs for the project. The Board should know by the second week of March when the legislature ends if dam safety funds are appropriated. Dennis Strong said the Board could authorize the funds but not commit funds at this time.

#### San Juan Water Conservancy District

Cleal Bradford said the San Juan Water Conservancy District has an agreement with the Utah Department of Transportation (UDOT) to provide fill material for Recapture Dam and they want to start work before July. UDOT is providing 56% of the cost of the project. Director Anderson said staff will not know if the Board will have dam safety funds until after the legislative session ends in March. If the Board has no money and the district wants to move forward, they could possibly borrow the money. It should be approved subject to the availability of funds.

#### Special Items

##### Callao Irrigation Company

Lucille Taylor said Callao Irrigation Company has about completed their project but they need an additional \$32,000 to purchase a new pump. They had planned to reuse a pump from an old well but determined it could not be reused.

#### OTHER ITEMS

Chair Peterson said he had a correction in the minutes under the Director's Report. He thanked Sherm Hoskins for attending the briefing meeting. He said the next meeting will be January 31.

The briefing meeting adjourned at 9:50 a.m.

*Approved*  
MINUTES OF THE  
BOARD OF WATER RESOURCES MEETING  
December 20, 2002

Auditorium  
Department of Natural Resources Building  
1594 West North Temple  
Salt Lake City, Utah

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## SUMMARY OF BOARD ACTIONS

1. The Minutes of the November 8, 2002 Board meetings were approved with a one-word change. page 1
2. The Wolf Creek Water Conservancy Inc. project was authorized in the amount of \$611,000 (75%) to be purchased with annual payments starting at \$28,000 and increasing to \$43,000 at 3% interest over approximately 25 years, subject to availability of funds. The company is to be changed from a profit to a non-profit organization. page 2
3. The Board authorized the Taylor-West Weber Water Improvement District project in the amount of \$825,000 (75%) to be purchased at 5% interest with annual payments starting at approximately \$51,800 and increasing to about \$90,800 over 20 years. The project is subject to availability of funds. page 3
4. Funds were committed to the Hanna Water and Sewer District project in the amount of \$1.371 million (29.8%) to be repaid in 25 years at 0% interest with annual payments ranging from approximately \$50,000 to \$64,000, subject to availability of funds. page 4
5. The Board committed funds to the East Bench Canal Company project in the amount of \$164,000 (46%) to be returned in about 12 years at 0% interest with annual payments of \$14,000, subject to availability of funds. page 4
6. Funds were committed to the Midway Irrigation Company (Phase II) project in the amount of \$350,000 to be returned in 19 years at 2% interest with escalated annual payments. When the remaining \$2.064 million becomes available and is needed by the company the agreement will be amended to reflect the authorized purchase agreement for the full \$2.414 million. page 5
7. The Board authorized grant funds to the Consolidated Sevier Bridge Reservoir Company at 95% in the amount of \$4.75 million subject to availability of funds. The Board reserves the right to loan some/all of the \$4.75 million in the interim (until dam safety funds are received from the Legislature) if needed. page 5
8. Grant funds were authorized for the San Juan Water Conservancy District (Recapture Dam) in the amount of \$2.02 million (44%). Funds will be released as available. page 6
9. The contract was amended for the Callao Irrigation Company to provide an additional \$32,000, making a total of \$216,000 to be repaid with annual payments of \$9,600 at 0% interest over approximately 23 years. page 6
10. The Board withdrew the application from Billy Bethers Spring, Culinary & Domestic Water Supply Company from further consideration by the Board. page 6

## THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, December 20, 2002, in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Warren Peterson presided over the 10:00 a.m. meeting.

### BOARD MEMBERS PRESENT:

Warren Peterson  
Paul Riley  
Lucille Taylor  
Bill Marcovecchio  
Harold Shirley  
Cleal Bradford  
Brad Hancock  
Ivan Flint

### STAFF MEMBERS PRESENT:

D. Larry Anderson, Director  
Dennis Strong, Deputy Director  
Eric Millis, Asst. Director  
Nancy Fullmer, Administrative Secretary  
Randy Staker, Accountant  
Todd Adams, Chief, Hydrology and Computer Applications  
Robert King, Chief, Interstate Streams  
Steve Wilde, Chief, Investigations  
Gina Hirst, Engineer  
Tom Cox, Engineer  
Shalaine DeBernardi, Engineer  
Russell Hadley, Engineer  
Geralee Murdock, Executive Secretary

### OTHERS PRESENT:

Sherm Hoskins, Deputy Director, Department of Natural Resources  
Chris Hogge, Engineer, Weber Basin Water Conservancy District  
Rex Ausburn, Branch Manager, Boyle Engineering  
Bill Bradwisch, Aquatic Habitat Coordinator, Division of Wildlife Resources  
Richard Sandberg, Loan Specialist, UDAF  
Randy Julander, Snow Survey Supervisor

OTHERS PRESENT CONT'D:

Steven Roberts, President, Wolf Creek Water Conservancy Inc.  
Lowell Peterson, Vice-president, Wolf Creek Water Conservancy Inc.  
Dan White, Engineer, Gardner Engineering

Val Surrage, Chairman, Taylor/West Weber Water Improvement District  
Dick Gibson, Vice-chair, Taylor-West Weber Water Improvement District  
Max Looch, Serviceman, Taylor-West Weber Water Improvement District

Dixie Jones, Secretary-Treasure, Hanna Water and Sewer District  
Ray Jones, Hanna Water and Sewer District

Steve Farrell, President, Midway Irrigation Company  
Joseph J. Duubeck, Jr., Attorney, Midway Irrigation Company  
Ross Wilson, Project Manager, J-U-B Engineers Inc.

Clyde Bunker, President, Consolidated Sevier Bridge Reservoir Co.  
Dean Anderson, Secretary, Consolidated Sevier Bridge Reservoir Co.  
Phil Gerhart, President, Gerhart Consultants, Inc.  
Michael Collins, Bowen, Collins and Associates

MINUTES OF THE  
BOARD OF WATER RESOURCES MEETING  
December 20, 2002

Chair Warren Peterson welcomed everyone in attendance.

APPROVAL OF THE MINUTES

Cleal Bradford made the motion to approve the minutes of the November 8, 2002 meetings with a one-word change. Bill Marcovecchio seconded the motion and the Board agreed.

WATER SUPPLY REPORT

Randy Julander reported seasonal precipitation is around 70-78% in most areas of the state due to storms received in October and November; snowpack is similar. Soil moisture values are around 40% weighted average; when more snow is received it should convert to runoff.

Reservoir storage is around 900,000 acre-feet less this year on December 1 than it was last year on December 1. Most areas have a bigger hole in reservoir storage than what would normally run off. Streamflow is extremely low and will not improve until the snowmelt runoff next year. The intermountain west is in a severe extreme drought.

Long range forecast for January, February and March indicates most of the state has a better than even probability of having another warm mild winter. Long range precipitation forecast is the southern end of the state has a better than average chance of having above average precipitation, and the rest of the state is predicted to have normal precipitation.

FEASIBILITY REPORTS

#E089 Wolf Creek Water Conservancy Inc.

Chair Peterson introduced Lowell Peterson, Vice-president, and Dan White of Gardner Engineering. Steven Roberts came in during the presentation. Shalaine DeBernardi reported the proposed project is located a mile north of the community of Eden in Weber County. The sponsor provides pressurized secondary irrigation water to 96 connections in the Wolf Creek area and would like to expand it into two additional subdivisions – Patio Springs and Eden Hills. In addition, the developer of the Eagle Ridge subdivision was required to install a “dry” system that now needs to be connected to the existing secondary system.

The sponsor is requesting financial assistance to expand its secondary irrigation system. The expansion will include construction of a new storage reservoir, dredging and lining of an existing reservoir, and installation of approximately 17,000 feet of distribution pipeline and 58 service connections. Technical assistance is being provided by Gardner Engineering in Ogden.

The estimated cost of the project is \$815,000. Based on the Board's water service affordability guidelines, new connectors could pay up to \$59.71 monthly for all water. With the proposed project in place the cost/connection/month will be approximately \$60.83.

The sponsor was incorporated on September 6, 1996, as a "profit" corporation, and is presently registered in good standing with the state Department of Commerce. They have not received financial assistance from the Board in the past.

Lowell Peterson said some of the people in Patio Springs are spending a considerable amount of money to water their yards. He said the Wolf Creek Water and Sewer Co. provides drinking water in the area, and their primary interest is to stop them from using so much drinking water for irrigation purposes. He said there was nothing in the project that directly benefits any real estate development, but the project was designed purposely to increase water service to these new subdivisions.

Ivan Flint said he had toured the area and asked Mr. Peterson if the residents lived there year-round. Mr. Peterson said yes, maybe one or two do not. Mr. Flint said it is a worthwhile project, however the Board recommends a 3% interest rate from the Conservation and Development Fund rather than staff's recommended 0% from the Revolving Construction Fund, and also the Board recommends the corporation be changed from a profit corporation to a non-profit corporation. Mr. Peterson said he didn't want to speak for the other directors, but did not think the other directors of the company would have any objection to the recommendations. Mr. Steve Roberts said he felt this could be agreed upon; the company has never made a profit and does not plan on making a profit.

Mr. Flint made the motion to authorize the Wolf Creek Water Conservancy Inc. project in the amount of \$611,000 (75%) to be purchased with annual payments starting at \$28,000 and increasing to \$43,000 at 3% interest over approximately 25 years, subject to availability of funds. The company is to be changed from a profit to a non-profit organization. Cleal Bradford seconded the motion and it was agreed upon by the Board.

#### #E095 Taylor-West Weber Water Improvement District

Chair Peterson introduced Dick Gibson, Val Surrage and Max Looch from the district. Tom Cox reported the district provides culinary water to about 1400 connections in western Weber County and the unincorporated areas of Taylor-West Weber and portions of Hooper and West Haven cities.

The district obtains its water from two wells and from Weber Basin Water Conservancy District that provides 450 acre-feet annually. The culinary system does not have adequate storage capacity to provide for existing connections' indoor and outdoor use plus fire protection. Also, the system has been experiencing an increase of around 50 connections per year which is expected to increase as a regional wastewater system is installed throughout the area.

The district is requesting financial assistance to improve its culinary water system by constructing a two million gallon concrete storage tank and booster pumping facility, installing pipeline to connect the tank to the existing system, and replacing 1,050 water meters. Technical assistance is being provided by LarWest Engineering in North Logan.

The estimated cost of the project is \$1.1 million. Based on the Board's water service affordability guidelines, area residents could pay around \$32.30 monthly for all water. The cost of culinary water with the project, based on 1,400 connections is estimated to be \$21.83 per month. About 25% of the existing connections have secondary water available to them provided by entities that assess annual fees of up to \$300. Those users' total monthly water costs are well over the Board's affordability amount, and total monthly costs to new connectors to the district system will also be above the guideline since they will be required to have secondary irrigation.

Mr. Surrage said the communities are located in a high growth area and do not have a tax base. He said this is something that needs to be done to stay up with regulations placed on them.

Ivan Flint said he had toured the area and feels this is a worthy project. He made the motion to authorize the Taylor-West Weber Water Improvement District project in the amount of \$825,000 (75%) to be purchased at 5% interest with annual payments starting at approximately \$51,800 and increasing to about \$90,800 over 20 years. The project is subject to availability of funds. Paul Riley seconded the motion and it was agreed upon by the Board.

## COMMITTAL OF FUNDS

### #D983 Hanna Water and Sewer District

Chair Peterson introduced Dixie and Ray Jones. Russell Hadley reported the proposed project is located in and around Hanna and Tabiona in Duchesne County. The district is requesting financial assistance to install a culinary water system consisting of the drilling and equipping of a deep well, construction of a 650,000 gallon tank, and installation of about 23 miles of transmission and distribution pipeline, fire hydrants, service connections and appurtenances. The cost is estimated at \$4.597 million.

Dixie Jones said all the pipe has been installed. The lines are full of water and the tank has been filled. It has been disinfected and flushed and today they're filling the tank and lines again and water should be for sale by January 1. Mr. Hadley said because of the Board's limited funds, the Board was not able to commit funds previously.

Brad Hancock made the motion to commit funds to the Hanna Water and Sewer District in the amount of \$1.371 million (29.8%) to be repaid in 25 years at 0% interest with annual payments ranging from approximately \$50,000 to \$64,000, subject to availability of funds. Cleal Bradford seconded the motion and the Board agreed.

#### #E032 East Bench Canal Company

Gina Hirst reported the proposed project is located on the east side of Spanish Fork City in Utah County. The company is requesting financial assistance to replace about 2,000 feet of its earthen, five-mile long irrigation water transmission canal with a rectangular concrete box conduit. Because of recent development at the bottom of the hillside below the canal, there is concern the canal will fail if filled to capacity.

The project authorized by the Board consisted of 60" plastic pipe to be installed in the original canal. The company moved the alignment to the state highway right-of-way, and because of that they need to change the plastic pipe to a proposed concrete box conduit to meet UDOT standards.

Ms. Hirst said since the report was prepared the company has determined the project will be about \$50,000 less than originally anticipated. They are requesting the Board provide \$164,000 or 46% of the estimated \$354,000 project cost.

Lucille Taylor said since the company requested the initial amount they found other funding to do part of the project and they dug the trench and started building the box conduit. Richard Sandberg with the Department of Agriculture said he had not received a formal application from the company for a loan through the ARDL program. Ms. Taylor said she had been on the site and seen the mess they are in and it needs to be finished, and hoped the Board could find the funds to help them. Chair Peterson reminded the Board that if an ARDL loan is procured, the Board's contract could be amended to allow parity.

Lucille Taylor made the motion to commit funds to the East Bench Canal Company in the amount of \$164,000 (46%) to be returned in about 12 years at 0% interest with annual payments of \$14,000. This is subject to availability of funds. Cleal Bradford seconded the motion and it was agreed upon by the Board.

#### #E064 Midway Irrigation Company (Phase II)

Chair Peterson introduced Steve Farrell, Joseph Duubeck, Jr. and Ross Wilson. Steve Wilde reported Midway Irrigation Company has completed Phase I of a two-phase pressurized irrigation project, and is now requesting financial assistance to construct Phase II by installing about 34,000 feet of 24 to 42-inch transmission pipeline, and constructing a 40 acre-foot regulating reservoir. Water will be transported from a diversion on the Provo River to the new

reservoir, then sent to the main pressurized agricultural irrigation system south of Midway, and/or pumped to Phase I's regulating reservoir.

Currently there is not \$2.414 million available for committal at this time, therefore the company has determined the most critical portion of Phase II can be done at around \$350,000 if the Board is able to commit that amount at this time. When the remaining \$2.064 million becomes available it can be released and the contract amended to reflect the authorized purchase agreement for the full \$2.414 million.

Lucille Taylor made the motion to commit \$350,000 to the Midway Irrigation Company (Phase II) project to be returned in 19 years at 2% interest with escalated annual payments. When the remaining \$2.064 million becomes available and is needed by the company the agreement will be amended to reflect the authorized purchase agreement for the full \$2.414 million. Bill Marcovecchio seconded the motion and the Board agreed.

## DAM SAFETY CONSTRUCTION FUNDING

### #C023 Consolidated Sevier Bridge Reservoir Company

Chair Peterson introduced Clyde Bunker, president of the company and also president of the Utah Water Users Association; Dean Anderson, secretary of the company, Phil Gerhart with Gerhart Consulting, Inc. and Michael Collins with Bowen, Collins and Associates. Shalaine DeBernardi reported the Sevier Bridge Dam is located about 25 miles south of Nephi in Juab County. The dam was completed in 1908 and enlarged in 1916. The company is now requesting financial assistance to upgrade the dam to meet current state dam safety standards. The dam embankment will be unstable during an earthquake due to liquefiable foundation materials. The upstream face of the dam needs riprap and the outlet works, spillway, and drainage system are all inadequate. The work will be accomplished in phases. Technical assistance is being provided by Bowen, Collins & Associates in Salt Lake City.

Because the Phase I work is most crucial from a safety standpoint, and considering availability of funds, staff recommends the Board commit funds only for Phase I at this time. Chair Peterson declared a conflict of interest as his law firm represents the Consolidated Sevier Bridge water users.

Clyde Bunker said the company would like to be considered for a 95% grant similar to Otter Creek and Piute. He said the difference of 5% amounts to a lot of money to the farmers. He said during the fall of 2003 they are anticipating draining the reservoir and hoped grant money could be received for the first phase.

Lucille Taylor made the motion to authorize grant funds at 95% in the amount of \$4.75 million subject to availability of funds. The Board reserves the right to loan some/all of the \$4.75 million in the interim (until dam safety funds are received from the Legislature) if needed. Bill Marcovecchio seconded the motion and the Board agreed.



### #C026 San Juan Water Conservancy District

Shalaine DeBernardi reported Recapture Dam is located about a mile north of Blanding in San Juan County. The district is requesting financial assistance to upgrade the dam to meet current state dam safety standards. There has been a small amount of movement at depth of a landslide in the right abutment which has raised a question as to the stability of the embankment and U.S. Highway 191, which traverses the crest of the dam. The estimated cost of the upgrade is \$4.57 million. The Utah Department of Transportation will provide 56% of the dam safety portion or \$2.55 million.

Cleal Bradford made the motion to authorize grant funds in the amount of \$2.02 million (44%). Funds will be released as available. Lucille Taylor seconded the motion and the Board agreed.

### **SPECIAL ITEMS**

#### #E008 Callao Irrigation Company

Ms. DeBernardi reported the company is constructing a 600 acre agricultural pressurized irrigation system consisting of a well, a regulating pond, and approximately 12,000 feet of pipe. Only drilling and equipping the well remain for the system to be complete.

The original cost estimate for the well was based on using some equipment from an abandoned well; that equipment has turned out to be unsuitable for use at the new well site, and current well drilling costs are higher than previously estimated. The company is requesting additional funds (\$32,000) to help cover the increased costs and complete the project.

Lucille Taylor made the motion to amend the contract for the Callao Irrigation Company to provide an additional \$32,000, making a total of \$216,000, to be repaid with annual payments of \$9,600 at 0% interest over approximately 23 years. Cleal Bradford seconded the motion and it was agreed upon by the Board.

#### #E-021 Billy Bethers Spring, Culinary, & Domestic Water Supply Company

The sponsor requested financial assistance to improve its culinary water system. Because the Daniel Domestic Water Company is incorporating the Billy Bethers Company into its system the sponsor has no need of financial assistance from the Board. Lucille Taylor made the motion to withdraw the Billy Bethers Spring, Culinary & Domestic Water Supply Company's application from further consideration by the Board. Harold Shirley seconded the motion and it was agreed upon by the Board.

## DIRECTOR'S REPORT

Director Anderson gave the Board a copy of a letter sent to Secretary of Interior Gale Norton relating to the Colorado River Interim Surplus Guidelines. He said up until December 9, it appeared everything was moving forward in California so the various water agencies would be able to sign the Quantification Settlement Agreement by December 31, 2002. With the signing of that agreement, California would be in compliance with the Interim Surplus Guidelines allowing them to receive an additional 700,000 acre-feet of water next year as they begin the process to gradually reduce their demands for Colorado River water from 5.2 million acre-feet to 4.4 million acre-feet.

On December 10, Imperial Irrigation District's board made a decision not to sign the agreement. This means California will not be able to comply with the Interim Surplus Guidelines and the guidelines will be suspended; California automatically reverts to 4.4 million acre-feet until California entities execute the Quantification Settlement Agreement. California is working hard to reach an agreement before December 31.

Director Anderson informed the Board of the Uinta Basin water conference being held February 4 and 5. This is the 15<sup>th</sup> year they've held the conference and it is a very good conference. Brad Hancock is involved, however all Board members are invited to attend if they so desire.

## CHAIR'S REPORT

Chair Peterson said all areas of the state budget are under pressure, however the Governor has focused on water funding as an area where there should be an examination of our long-standing policies and funding sources. The Governor challenges the water community to come up with dedicated secure funding that would generate \$30 million per year rather than the \$20 million presently coming from the 1/16% sales tax.

Mr. Peterson suggested the Board have the schematic available showing the steps it takes to get water from the source to the tap so they can be part of the education process in their communities. (Staff will provide them with the schematic used in water education presentations). This shows the lead time it takes and also the cost of water development. Mr. Peterson reviewed a written statement he had prepared. He said he felt the sales tax was an efficient and a low cost way of providing funding. He said if better ways can be found they will be incorporated. Mr. Peterson plans to give his views to the subcommittee. Cleal Bradford commended the subcommittee for trying to come to a solution.

Meeting adjourned at 11:52 a.m.